MPHEC

The Next Phase of Development of the MPHEC:

Business Plan 2012-13 to 2014-15

February 2012

Maritime Provinces Higher Education Commission

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MPHEC Mission

As an Agency of the Council of Maritime Premiers that provides advice to Ministers responsible for Post-Secondary Education in the Maritimes, the Maritime Provinces Higher Education Commission:

Assists institutions and governments in enhancing a post-secondary learning environment that reflects the following values:

- **Quality:** continuous improvement in the quality of programs, institutional practices, and teaching.
- **Accessibility:** program, delivery, and support services that optimize post-secondary education availability.
- **Mobility:** portability of learning and credits throughout the post-secondary education system in the Maritimes.
- **Relevance:** effective and responsive interaction among learners, the work force, and the community.
- **Accountability:** evidence of value, sustainability, and cost-effectiveness of public and learner investment.
- **Scholarship and Research:** commitment to the pursuit of knowledge.

Excerpt of the MPHEC Act

1. The Commission shall, in carrying out its duties, give first consideration to improving and maintaining the best possible service to students as life-long learners by:
   (a) taking measures intended to ensure that programs of study are of optimum length and best quality,
   (b) stressing prior learning assessment and recognition, and credit transfer, to implement the principle that duplication of effort is not required in order to gain credit for learning which [that - NS] has been successfully accomplished,
   (c) promoting smooth transitions between learning and work,
   (d) promoting equitable and adequate access to learning opportunities, including making those opportunities available at times and places convenient to the student, and
   (e) taking measures intended to ensure teaching quality.

2. The Commission's principal duties are:
   (a) to undertake measures intended to ensure continuous improvement in the quality of academic programs and of teaching at institutions, which without limiting the generality of the foregoing may include the review of institutional programs and practices for assuring such improvement and making recommendations to institutions and the Provinces,
   (b) to ensure that data and information is collected, maintained and made available for assuring the public accountability of institutions, and to assist institutions and the Provinces in their work, which without limiting the generality of the foregoing may include:
      (i) establishing data and system standards,
      (ii) establishing public reporting requirements and producing public reports, and
      (iii) carrying out studies in regard to public policy, institutional concerns and issues related to post-secondary education, and providing advice to institutions and the Provinces on these matters.
   (c) to take initiatives to stimulate cooperative action among institutions and the Provinces where such action is likely to improve the efficiency and effectiveness of the post-secondary education system in the Provinces, which without limiting the generality of the foregoing may include:
      (i) encouraging initiatives for institutions to offer joint, complementary and regional programs, and
      (ii) encouraging administrative, financial and common service arrangements which reduce the overhead cost of programs and the overall cost to students and the Provinces.
   (d) to continue to develop and administer funding transfers among the Provinces for regional programs, which without limiting the generality of the foregoing may include developing and administering funding arrangements for programs outside the region, as required to provide additional educational opportunities for students from the region, and
   (e) to undertake such other duties as the Ministers may assign.

3. The Commission may:
   (a) provide such services and functions, as may be agreed upon by the Ministers, to one or more institutions or to one or more of the Provinces,
   (b) provide such advice and services, as may be agreed upon by the Ministers, to one or more of the Provinces to determine their post-secondary education funding policy, and
   (c) recommend to the Ministers the names of post-secondary educational institutions that may be added to or deleted from those prescribed by [the - NS] regulation for the purposes of the definitions "institutions" and "universities" [in section 1 - NB]; [2002, c.34, s.11 -PEI].

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EXECUTIVE SUMMARY

Considering that the three Maritime provinces collectively spend over $1 billion annually toward university education in this region, this Business Plan clearly demonstrates that the **Commission provides value for money** in a context of increased accountability, **providing essential measures of program effectiveness where it matters most: at the student level, at a low cost to the Provinces, at less than 1/10 of a cent for every dollar of expenditures in the sector.**

The Commission's critical mass built through staff expertise, the diversity of the Commission's membership and the leverage of additional institutional and government expertise through its collaborative operational framework, has allowed it to develop a **level of expertise that each province could ill afford to develop, let alone maintain, individually. Given the size of each Maritime province, the Commission allows for a larger base from which to draw conclusions, whether these are about student success, quality of academic offerings or graduate outcomes.**

The functions of the Commission are:

- Quality Assurance
- Data and Information
- Cooperative Action
- Administration of Regional Programs
- Services to the Provinces

but it is the first two of these, informed by the remainder of these functions, that provide the "backbone" of the Commission's work.

The Commission's **quality assurance program includes two main activities: the assessment of new and modified academic programs prior to implementation and the monitoring and verification that institutions assess their existing programs and activities with a focus on students and learning**. These activities, in part by design and in part due to the institutions' direct contribution to the processes, are conducted at a much lower cost to taxpayers than in most other jurisdictions. Quality assurance is an area where the Commission has exercised leadership: setting program-level standards, setting institutional-level quality assessment standards, and working directly with the universities in the region to improve in both areas. Nonetheless, while progress has been made by most institutions to demonstrate and maintain/improve quality, there is clearly still much more to do for institutions to meet the standards set by the MPHEC and used elsewhere.

- The Commission identifies its work in the area of **quality assurance as its first priority** with program assessment as the primary activity and does not identify any reasons to retrench from its current course of action, except as may be warranted by resources. In this case, the likely approach to address decreasing resources will be diverting resources away from other areas, and the extension of timelines, rather than a reduction of activities.

The Commission has established **a strong reputation for independent analysis of data and for the efficient collection of these data** using PSIS[1] and its graduate survey program[2]. The MPHEC leads Canada in its use of PSIS and, when it is able to track learners from K-PhD, will be a leading analyst of learning systems data in North America. Further linking these data with data on graduates into the labour market will only enhance this potential.

- In light of the significant benefit arising for the region, the Commission identifies **maintaining PSIS and expanding its use** as its **second priority**. Future work will focus on student success and education quality while current work (providing enrolment data calculated based on each Province's specific requirements for the application of provincial funding formula, as well as baseline data for all stakeholders) will continue.
- Decreasing resources will be addressed through an extension of timelines, a reduction in some of the data made publicly available, and/or limiting the amount of in-depth analysis being undertaken. In addition, the Commission will explore whether a fee-for-service in this area could be implemented.
- The Commission believes that being able to report on **graduate outcomes is essential to realizing its mandate and to ensuring the effectiveness of our regional university system and public policy designed to support it. But the current survey program is not funded**. The Commission has conducted a comprehensive review of the program. As a result, the current survey program is cancelled. A new, lower-cost Maritime Graduate Outcomes (GO) survey is proposed with an annual **cost of $145,000/year (as compared to $200,000/year for the previous program (see Appendix A for more details) while still meeting the minimal requirements of stakeholders, and primarily those of the three provincial governments. The new program will not be undertaken unless funding is obtained. If the new program is not undertaken, there will be a significant gap in our knowledge base: how well do graduates perform? How well is the system performing?**

Under its **cooperative action** function, the Commission is charged with promoting and facilitating cooperation within the Maritimes, with other Provinces and with external partners for the development of cost-effective and collaborative approaches to post-secondary education administration, programs and policies. It is under this heading that the MPHEC has played a significant leadership role with institutions in the area of data, whether through its work on PSIS and other projects (data collection and research/publication), quality assurance, the support of the NB-PEI Education Computer Network or providing an opportunity for key stakeholders to come together on a number of issues in various settings. The Commission's design, governance and committee structures, working practices and ethos are both collaborative and engaging. Indeed, many hours are "volunteered" to the Commission in support of its mission. **This work could clearly be expanded, and used to inform the development of approaches to other areas. However, the current resource restrictions faced by the Commission over the planning period will be translated into, <u>at best, the *status quo* being maintained.</u>**

The Commission also undertakes activities under the heading of **Services to the Provinces**. For example, it prepares and

[1] The annual collection of student administrative data in the PSIS format is highly efficient – institutions value the fact that a single submission feeds many requirements (e.g., production of basic statistics, running funding formulae) and enables more in-depth research and analysis, which ultimately support their own internal needs; governments obtain the data required for the application of their respective funding formula calculated according to their own specifications, as well as data in support of decision-making.

[2] Program not funded by the Provinces and now cancelled.

administers the university education budget in New Brunswick (which also includes the Maritime College of Forest Technology). This includes providing audited financial statements for the Province's university education funding. It undertakes similar work for Prince Edward Island. See Appendix B for further details.

- The Commission believes it provides significant value for money to the Provinces in the services it provides. However, these services fall outside of what can be considered core given the Commission's Act and are not offered to all three provinces. **The provinces benefiting from these services should cover the greatest share of the costs in this area, or those services should be transferred back to the provinces.**

The MPHEC supports the administration of a number of transfer agreements between the Provinces with the explicit intent of facilitating the flow of students across Provincial boundaries so that they may study programs not available in their "home" jurisdiction. The bulk of these "flows" are from New Brunswick to Nova Scotia and from PEI to Nova Scotia or New Brunswick. The Commission also supports transfers to a variety of non-MPHEC Provinces for specific programs – e.g. optometry, medical education, rehabilitation as well as inter-provincial funding agreements.

- The Commission would have to consider whether this area of activity should continue in the event it would no longer be providing financial services to the Provinces.

The MPHEC has also undertaken, from time to time and on a full cost-recovery basis, institutional and program assessments of private universities in New Brunswick. These services, well aligned with the Commission's core activities, have assisted the Minister in making challenging decisions, whether authorizing the introduction of new degrees, requiring that specific academic standards be met (such as those related to academic governance) or closing an organization previously authorized to grant degrees. The Commission will continue to monitor these activities to ensure they do not negatively affect core functions.

Resource Plan

Difficult decisions have had to be made during the planning period as a result of the announced reduction of $59,826 in funding levels between 2010-11 and 2014-15 (-3% in 2011-12, -1% in 2012-13, -1% in 2013-14) combined with the unfunded mandated and contractual increases of approximately $69,000 in certain expenditures (i.e. salaries and benefits, rent). In total, the Commission **has had to find approximately $129,000** in savings within its current budget **to be able to balance the budget** throughout the planning period. This has been achieved through a combination of identifying other sources of revenue and reductions in expenses under salaries, benefits and operating expenses. Refer to Appendix C for more detail.

In addition, the multi-year business plan includes **a request for** annual, ongoing, **funding for a revamped survey program: the Maritime Graduate Outcomes (GO) Survey of $145,000 reflecting** all costs of the survey program **(compared to $200,000 for the previous program)** and meeting minimal needs. The Commission believes that this lower cost program is **essential to realizing the Commission's mandate and to ensuring the effectiveness of our** regional **university system and public policy** designed to support it. In the absence of the requested funding, no survey of graduates will be undertaken leaving the region's decision-makers unable to answer simple questions: Are graduates satisfied with their education? Have they found well-paying jobs? How many are remaining in their home province?

Conclusion

The Commission provides significant value to the three Maritime Provinces.

Its critical mass, in terms of staff, the diversity of the Commission's membership and the leverage of additional institutional and government expertise through its collaborative operational framework, has allowed it to develop a level of expertise that each province could ill afford to develop, let alone maintain, individually.

Given the size of each Maritime province, the Commission allows for a larger base from which to draw conclusions, whether these are about student success, quality of academic offerings or graduate outcomes.

It offers **significant value-for-money and a sound and efficient approach in terms of public policy.** With a budget of approximately $1 million, its quality assurance program costs approximately $400,000 annually (not accounting for the universities' contribution); and its data collection and analysis activity (including the provision of various data outputs to governments but excluding support to the graduate survey program) costs about the same (approximately $400,000 per annum), cost-shared on a per-capita basis by the three provinces. It is likely that **it would cost *each* province nearly the same to establish mechanisms to achieve these goals at a provincial level.**

With these instruments, the Commission:

- Provides assurances as to the quality of programs and services offered to students by the universities in the region
- Monitors student success through their studies within the Maritimes (as they move from one institution to another, from one program to another).
- Will be able to track students from the K-12 system to university and, if the Maritime GO Survey is funded, to the labour market.

The Commission exercises clear leadership in its areas of expertise and has been able to establish the Maritimes as national leaders, particularly in the area of integrated data collection and analysis, lead which will be eroded if graduates are not surveyed.

Were the Maritime GO Survey to be funded, the Commission would be in a position to continue to provide a measure of system effectiveness and quality: are graduates transitioning into the labour market and future education as well as they could? Are public policies designed to support university education working for students as intended? If it were unfunded, the Commission, and the three provincial governments, will no longer be able to report (and the region will not have access to such data) on how students do once they have graduated, leaving a significant gap in terms of graduate outcomes.

Considering that the three Provinces collectively spend over $1 billion annually toward university education in this region, it is clear that the Commission provides value for money in a context of increased accountability, **providing essential measures of program effectiveness where it matters most: at the student level, and at less than 0.1% of expenditures in the sector.**

INTRODUCTION

Considering that the three Maritime provinces collectively spend over $1 billion annually toward university education in this region, this Business Plan clearly demonstrates that **the Commission provides value for money** in a context of increased accountability, **providing essential measures of program effectiveness where it matters most: at the student level, at a low cost to the Provinces, at less a 1/10 of a cent for every dollar of expenditures in the sector.**

The Commission's critical mass built through staff expertise, the diversity of the Commission's membership and the leverage of additional institutional and government expertise through its collaborative operational framework, **has** allowed it to develop **a level of expertise that each province could ill afford to develop, let alone maintain, individually. Given the size of each Maritime province, the Commission allows for a larger base from which to draw conclusions, whether these are about student success, quality of academic offerings or graduate outcomes.**

The MPHEC began operations in 1974-75 under the first MPHEC Act. Its primary consideration was the rational use of resources in the region. In 1997, the Ministers agreed through an MOU to continue the MPHEC but with a very different mandate, with services to students as its primary consideration. A new Act enacting the 1997 MOU was adopted in 2005. Under this renewed mandate, the Commission has strongly focused its work on two key domains: (a) quality assurance and monitoring; and (b) the collection of data and "evidence" which can be used to develop system-level understanding and inform decision-makers and the public.

The full set of functions of the Commission are:

- Quality Assurance
- Data and Information
- Cooperative Action
- Administration of Regional Programs
- Services to the Provinces

- but it is the first two of these, informed by the remainder of these functions, that provide the "backbone" of the Commission's work.

> **The Commission shall, in carrying out its duties, give first consideration to improving and maintaining the best possible service to students as life-long learners** (2005 MPHEC Act, Duties, Section 11.1)

Through this initial period of its work, MPHEC has been a collaborative and nimble organization. MPHEC works through collaboration and partnership with post-secondary institutions and through the functional relationships it has developed with appropriate officials within each of the three Ministries with which it works. It has exercised clear leadership in its areas of expertise and has established the Maritimes as national leaders, particularly in the area of integrated data collection and analysis.

Dedicated to supporting access to quality learning and working on behalf of the best interests of students, MPHEC has undertaken activities aligned with its mission and mandate, but out of the realm of public controversy.

As the Commission takes a momentary pause to review its work and define its future, it is worth making these observations:

1. Despite an ever-increasing focus on program quality during this last decade, it is still the case that more needs to be done with the 16 universities to ensure they are meeting the standards and expectations of the Commission and beyond.

2. Since the Ministerial agreement (1997) the Commission has deliberately sought to establish legitimacy and credibility with its "shareholders" (Ministers and their Departments), "stakeholders" (the institutions) and primary "customers" (students). To do this, it has taken a focused (formative) approach to quality assurance and monitoring and a "neutral" approach to evidence and data. To meet the requirements of the Act, MPHEC now wishes to take a more focused approach and offer advice and recommendations as well more in-depth analysis and interpretation of potential consequences of trends and developments.
3. As resources become tighter across the region for all in the post-secondary sector, the MPHEC needs to understand and act on those opportunities in which it can add the most value and be seen to do so by its shareholders and stakeholders.

QUALITY ASSURANCE AND CONTINUOUS IMPROVEMENT

Overview of Activities and Impact

The Commission's **quality assurance program includes two main activities: the assessment of new and modified academic programs prior to implementation and the monitoring and verification that institutions assess their existing programs and activities with a focus on students and learning**. These activities, in part by design and in part due to the institutions' direct contribution to the processes, are conducted at a much lower cost to taxpayers than in most other jurisdictions.

From an initial review of the 16 public universities covered by the MPHEC mandate conducted between 2003 and 2009 and presented to stakeholders in 2010, the following observations can be made:

- 11 had a quality assurance policy in place
- Less than a third assessed functions and units of the institution beyond the academic units – e.g. library, computing services, student services, etc.
- Over half assessed the contribution of the (academic) unit to ...
  - Research activity (13)
  - To other aspects of the mission (12), to the larger community (13)
- Less than half covered the full range of quality assurance processes required to assess and improve learning:
  - 9 did not assess their curriculum in its entirety on a systematic, periodic basis
  - 6 did not review teaching practices on a systematic and regular basis
  - 9 did not assess the appropriateness of support provided to students

The work reflected above was conducted by the joint AAU-MPHEC Quality Assurance Monitoring Committee.

Over the last three years, the Commission has examined over 160 program proposals. While some were stellar, some fell short of expectations. The following is a sampling of the latter proposals submitted by institutions following all required internal approvals (usually Senate and Board):

- At least 6 proposals for four-year bachelor's degree programs required less than 18 credits at the 3rd/4th year levels (that is, a degree program was proposed in which a student could graduate having completed 85% of his or her program with courses at the 1000 or 2000 level).
- A proposal for a new major where the only resources required (documented) were an administrative position and some office supplies, and no impact on existing programs identified.
- A proposal for a major in the context of a double major with only one faculty member to support the program.
- A few proposals where the program's main objective was defined as an institutional objective (faculty retention or alignment with faculty interest, for example) rather than learning objectives.
- A proposal for a certificate that did not include university-level course content.
- A proposal for a new major where courses directly related to the specialization were optional, while the required courses could be completed through an alternative major.

Most of these proposals were either withdrawn or approved as a result of an iterative process whereby the institution and the Commission, through its joint AAU-MPHEC Academic Advisory Committee, found ways to modify the proposed program to ensure it meets the Commission's standards. This process is resource-intensive for all involved.

Quality assurance (QA) is an area where the Commission has exercised leadership: setting program-level standards, setting institutional-level quality assessment standards, and working directly with the universities in the region to improve in both areas. The Commission's quality assurance program drives decision-making at the institutional-level as evidenced by the implementation of institutional-level quality assurance policies and procedures and by institutions' decisions not to implement (or to suspend enrolments in) academic programs in light of quality concerns identified by the Commission during the program assessment process. Nonetheless, while progress has been made by most institutions to demonstrate and maintain/improve quality, there is clearly still much more to do for institutions to meet the standards set by the MPHEC and used elsewhere.

The Commission has also been advising the Minister in New Brunswick as to organizational appropriateness and program quality for new, private, degree providers, assisting that province in establishing a quality assurance framework for those organizations.

Strategic Orientation/ Priorities

- The Commission identifies its work in the area of **quality assurance as its first priority**, and within this, program assessment is key. The Commission does not identify any reasons to retrench from its current course of action, except as may be warranted by resources. In this case, the likely approach to address decreasing resources will be diverting resources away from other areas, and the extension of timelines, rather than an outright reduction of activities.
- Furthermore, to the extent that at the end of the second cycle of the monitoring process all institutions would have implemented the Commission's institutional quality assurance standards, the monitoring process will no longer be required. The Commission will consider over the planning period the extent to which it could modify its submission requirements for its program assessment process (for example, these institutions could be required only to submit proposals for entirely new programs, or summary reports), if any one institution meets all of the standards for institutional QA. A positive outcome to the monitoring process would therefore be that fewer Commission resources are required to support QA work, allowing the Commission to redirect resources to other areas of importance. In the interim, the Commission will have to determine the intensity of the monitoring process which hinges on the resources available. At press time, **it appears likely that the funding restrictions will require the Commission to extend the length of the monitoring process, to a 7-year process, and launch it a year later than planned.**
- The Commission has invested resources in the last two years toward improving the quality of program proposals submitted by institutions (providing workshops, modifying its information requirements, clarifying its policy framework, etc.); these efforts should lead to better program proposals being submitted and fewer resources being required to support the process. **Over the planning period, the Commission will examine other options to improve the quality of the proposals and/or to reduce the resources required, such as: an application fee, an extension of timelines (creating a "wait list" and further limiting the ability of universities to be responsive in a timely way), etc.**
- **The Commission believes that its work could be made even more effective were it more publicly supported by the Ministers, perhaps through a ministerial statement on quality assurance, in addition to the measures currently in place.**
- **The Commission will also explore how to publicize its work in this area more widely.**

USING EVIDENCE TO INFORM DECISIONS AND UNDERSTANDING (DATA AND INFORMATION)

Overview of Activities and Impact

The Commission has established **a strong reputation for independent analysis of data and for the efficient collection of student administrative data** using PSIS[3].

Its **graduate survey program**, in its 15th year, is a second proprietary data resource which has been instrumental in advancing our knowledge of Maritime university graduate outcomes. In fact, the MPHEC's graduate survey program is a crucial piece not only in terms of the Commission's own mandate, but in terms of informing policy development by the three Maritime governments. Yet, the Commission in recent years, has been unsuccessful in securing joint and multi-year funding from the three provinces. As a result, the graduate survey program is being eliminated. A new lower-cost Maritime Graduate Outcomes (GO) Survey program has been designed to replace the previous program but can only be undertaken if funding is obtained.

The MPHEC leads Canada in its use of PSIS: through a sophisticated linkage of student records, it can monitor student progression within and between institutions, at the 'system' level. It is currently building the capacity to track learners from K-PhD, which will position it as a leading analyst of learning systems data in North America. Expanding on that base to further link PSIS with data describing the transition of graduates into the labour market will only enhance this potential.

The graduate survey program examines important factors influencing Maritime university graduates' pursuit of further education, transitions to the labour market, financing education and the management of debt; it also provides crucial information on the extent to which the region retains its graduates. With its exclusive Maritime focus, it has, over its history, provided an excellent perspective on the shifts in these key trends, and lent support to policy decision-making.

The full complement of MPHEC data and information products provides solid evidence that the Commission exercises good stewardship of the data entrusted to it by its stakeholders. The Commission's Maritime-focussed work and its responsiveness to emerging issues, provide its stakeholders with important insights and a relevant and comprehensive assessment of issues.

The MPHEC currently uses its data analytic skills and opportunities to provide information. Using its in-house expertise in data mining and statistical analysis, and drawing on its rich data resources, the Commission provides valuable information – intelligence – to its stakeholders and shareholders that is simply unavailable from any other source. Through mechanisms such as an annual Forum on Data Collection and Research, a Working Group on Measures of Student Progress and Outcomes (members are institutional researchers and assist in the development of statistical measures), and the joint AAU-MPHEC Advisory Committee on Information and Analysis, the Commission also draws on the expertise of its stakeholders in the development of its data and information products.

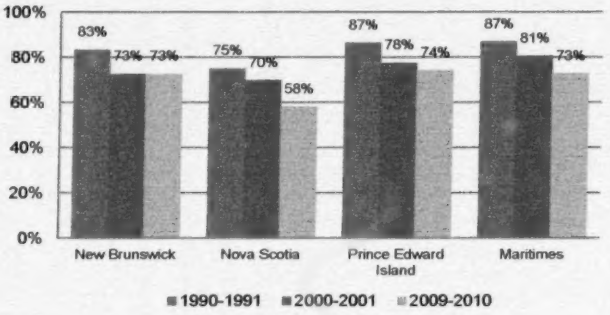
The following observations emerging from analysis of both PSIS and graduate survey data sketch out important features of the Maritime post-secondary sector. If the Maritime GO survey is not funded, data such as those used in Fig. 3 and Fig. 4 would not be available.

[3] The annual collection of student administrative data in the PSIS format is highly efficient – institutions value the fact that a single submission feeds many requirements (e.g., production of basic statistics, running funding formulae) and enables more in-depth research and analysis, which ultimately support their own internal needs; governments obtain the data required for the application of their respective funding formula calculated according to their own specifications, as well as data in support of decision-making.

➢ Maritime universities are educating fewer and fewer Maritimers

- The proportion of total undergraduate enrolment that is made up of students studying in their home province has declined over the last two decades, in all three provinces.
- Universities in the region are attracting greater numbers of international students and from elsewhere in Canada. This is an important question for governments investing in post-secondary education.

Figure 1: Home province enrolments as a proportion of total undergraduate enrolments, by province of study.

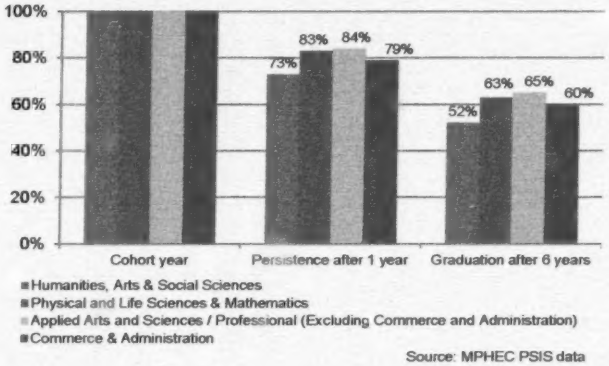


Source: MPHEC PSIS data

➢ Most students take longer than four years to complete a bachelor's degree

- Completing a degree in four years is the exception; graduation within six years is a challenge for a great many students, but especially in Arts and Humanities programs. While students may not see time to completion as an issue – it enables them to spread costs over a longer time – both institutions and governments may have a different view.

Figure 2: Persistence After One Year and Graduation After Six Years for the 2001 Cohort By Discipline Cluster.

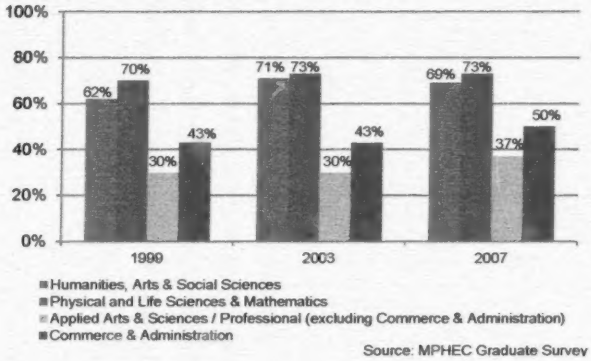


Source: MPHEC PSIS data

➢ One degree is not enough

- For most Liberal Arts and Sciences graduates, their first degree is a stepping stone to a terminal degree. Compared to graduates of Applied and Professional programs, their pathway to the workforce is longer. The extent to **which students must invest both time and money to earn a credential that will open the door** to meaningful and rewarding employment **is a growing issue.**

Figure 3: Percent of graduates who returned for further study within two years of completing their first degree, by discipline of first degree and graduating class.

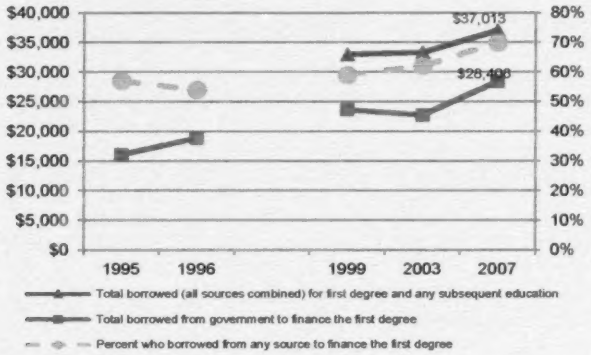


Source: MPHEC Graduate Survey

➢ **Borrowing to fund university education continues to rise**

- The proportion borrowing, and the amount borrowed has been rising, to fund the first degree and subsequent education.
- Maritimers borrow more than their counterparts from outside the region

Figure 4: Percent who borrowed from any source to fund the first degree, mean amount borrowed from government sources (among borrowers) to fund the first degree, and mean total amount borrowed (all sources combined), for the first degree and and/or any subsequent education (taken within 2 years of graduating), expressed in 2009 constant dollars, by graduating class



Source: MPHEC Graduate Survey

These are just a few observations that clearly raise some important policy questions; however, the Commission has refrained from offering recommendations based on its analyses. There are many opportunities for the Commission to add value to its data analysis and move beyond information provision to the provision of knowledge. However, shrinking resources will make that transition much more challenging.

Strategic Orientation/ Priorities

- In light of **the significant benefit** arising **for the region,** the Commission identifies **maintaining PSIS and expanding its use as its second priority. Future work will be focused on student success and education quality.**
- The likely approach to address decreasing resources will be **an extension of timelines, a reduction in some of the data made publicly available, and/or limiting the amount of in-depth analysis being undertaken.**
- In addition, **the graduate survey program, has been eliminated.**
- The Commission believes that **the proposed new lower-cost Maritime Graduate Outcomes (GO) Survey program is essential** to realizing the Commission's mandate and **to ensuring the effectiveness of our regional university system and public policy designed to support it. However, the program will not be undertaken unless funded by the Provinces.** A comprehensive review of the survey program has been completed. **Stakeholders were unanimous in their support of the program**, citing the need for a Maritime focus to identify emerging issues that affect the region differently than elsewhere in the country or where pan-Canadian analysis simply cannot account for trends in the region. As a result of the review, a new program has been defined that represents the **minimum acceptable program design**. It will **focus on Bachelor's degree holders** (about 70% of our student population) (significantly reducing the sample size) and consist of a six-year survey cycle that will see two graduating cohorts interviewed two years after graduation, with one cohort also interviewed six years after graduation. Graduate students will not be included, nor will students graduating from professional programs/certificates and diplomas. **This design will allow the costs of the new program to be reduced from $200,000/yr to $145,000/yr** while meeting the minimal requirements of stakeholders, and **primarily those of the three provincial governments.** Appendix A describes the program in greater detail and compares it to the previous version.

- **In the absence of external funding, no survey of graduates will be undertaken, leaving a gap in our knowledge** as to how our graduates translate their education into the labour market, how they manage their education-related debt (70% of our graduates borrow to pay for their education) and whether they remain in the region, among other issues.
- Finally, the Commission will need to **explore whether a fee-for-service in this area should be implemented.**
- **The Commission believes its data and information assets can be leveraged to add further value: they can become more of a driver of policy, whether at a governmental-level or at the institutional-level. It sees this objective as hinging on two things: improved communication and dissemination of findings and a much greater level of engagement and 'ownership' of findings by stakeholders, and Commission members in particular.**
  - With respect to improved communication and dissemination of findings, the Commission has identified a number of means to this end. This includes better document design; a series of shorter, 'thought-provoking' articles/reports meant to bring key issues to light and drive policy decision-making; offering cost-recovery workshops on emerging and current issues; post-publication dialogue facilitated by the MPHEC, and regular consultation with key stakeholder groups to determine the most pressing issues. The Commission believes that more media coverage would raise the profile of the various issues with the public, thereby lending weight to public debate and policy discussions.
  - To add a longer shelf-life to its findings, Commission members and stakeholders need to have increased ownership of the findings and their implications. The Commission should express positions and identify implications and potential courses of action, along with providing credible data. Commission members should be present at public releases, prepared to discuss findings and identify policy implications as well as related targets, if not interventions. A statement from the Commission (and public support of its statements by Commission members) about the status of a particular issue should carry significant credibility for our stakeholders. It would also facilitate the implementation of longer-term communication plans.

COOPERATIVE ACTION

Overview of Activities and Impact

Under its cooperative action function, the Commission is charged with promoting and facilitating cooperation within the Maritimes and with other Provinces and external partners for the development of cost-effective and collaborative approaches to post-secondary education administration, programs and policies. This requires ongoing consultation in order to understand multiple (and sometimes conflicting) stakeholder needs and perspectives.

It is under this heading that the MPHEC, over the last decade and even before that, has played a significant leadership role with institutions in the area of data, whether through its work on PSIS and other projects (data collection and research/publication), quality assurance, the support of the NB-PEI Education Computer Network (celebrating 40 years, ECN provides connectivity to the partner institutions; the MPHEC is both support and partner in this efficient initiative) or by providing an opportunity for key stakeholders to come together on a number of issues in various settings. The Commission's design, governance and committee structure, working practices and ethos are both collaborative and engaging. Indeed, many hours are "volunteered" to the Commission in support of its mission.

This work could clearly be expanded, and used to inform the development of approaches to other areas, such as:

- The growth and development of technology for teaching
- The quality of non-resident degree programs – i.e. programs offered by universities not resident in the MPHEC region but available to students within the region
- Prior learning assessment and work-based learning credits
- Research ethics and best practices
- Regionalized student services

Given that the Commission exists so as to best serve the interest of students, the expansion of work under the heading of cooperative action may seem appropriate, especially at a time of constraint for all stakeholders. However, the current resource restrictions faced by the Commission over the planning period **will be translated into, at best, the status quo being maintained.**

Strategic Orientation/ Priorities

- In the area of cooperative action, the Commission's operational framework requires the active collaboration of its stakeholders, and the Commission believes that this should continue.
- **Given the financial constraints over the period, the Commission is not planning to expand its work in this area.** Cooperative action will remain as a means to an end: the realization of the Commission's core functions, quality assurance and data and information, rather than an area of active involvement.
- However, the Commission did identify the need for further reflection on the Commission's current role and activities under this function, and possible future action, considering resources. Over the planning period, the Commission will consider establishing (and resourcing) an *ad-hoc* committee charged with examining cooperative action. This committee, to be established only when resources are available to support it, would focus on two objectives: first, how institutions and governments can better collaborate to cut costs or to improve quality and second, what the Commission's role ought to be in supporting current and future cooperative action. The types and areas of cooperative action that might be considered: common data centre; shared graduate programs; expansion of ECN to include NS institutions; common strategy for international recruitment; means to improve/increase student mobility and timely completion (such as increased credit transfer across colleges and universities and/or the development of a Bologna-type process); and means to improve cooperation/efficiency through Interuniversity Services Inc. (ISI) and Council of Atlantic Minister of Education and Training (CAMET).

SERVICES TO THE PROVINCES (FINANCIAL) AND INTERPROVINCIAL AGREEMENTS

Overview of Activities and Impact

The Commission also undertakes activities under the heading of Services to the Provinces. For example, it prepares and administers the university education budget in New Brunswick (which also includes the Maritime College of Forest Technology). This includes calculating operating (unrestricted and restricted) assistance, capital assistance, the special projects funding envelope, and the various transfers through interprovincial agreements (Regional Transfers, New Brunswick/Québec Agreement, Newfoundland Agreement, etc.) in which the Province participates. The MPHEC also administers the university education budget throughout the year, including the Province's committed funds. This includes providing audited financial statements for the Province's university education funding. It undertakes similar work for Prince Edward Island. Appendix B presents a distribution of the various services provided by the MPHEC to each province.

The MPHEC supports the administration of a number of transfer agreements between the Provinces with the explicit intent of facilitating the flow of students across Provincial boundaries so that they may study programs not available in their

"home" jurisdiction. The bulk of these "flows" are from New Brunswick to Nova Scotia and from PEI to Nova Scotia or New Brunswick. The Commission also supports transfers to a variety of non-MPHEC Provinces for specific programs – e.g. optometry, medical education, rehabilitation as well as inter-provincial funding agreements.

The Commission seeks to create value in these ways:

1. Allowing students in the MPHEC region a broader choice of programs than would otherwise be the case.
2. Ensuring that quality education is available to students in programs of their choice in a cost-effective way to them and to the governments of the region.

MPHEC has also undertaken, from time to time and on a full cost-recovery basis, institutional and program assessments of private universities in New Brunswick. These services, well aligned with the Commission's core activities, have assisted the Minister in making challenging decisions, whether authorizing the introduction of new degrees, requiring that specific academic standards be met (such as those related to academic governance) or closing an organization previously authorized to grant degrees.

Strategic Orientation/ Priorities

- The Commission believes it provides significant value for money to the Provinces in the services it provides. However, these services fall outside of what can be considered core functions given the Commission's Act and are not provided to all three provinces (see Appendix B). As such, **the Provinces benefiting from these services should cover the greatest share of the costs in this area, or those services should be transferred back to the Provinces themselves.**
- The Commission administers a number of interprovincial agreements to the benefit of the collective of the three Provinces (sometimes for Newfoundland and Labrador as well). The cooperative action committee described above should explore further the work done by the Commission in this area, the resources required to do so (particularly in the event that the Commission would no longer be providing financial services to the Provinces) and whether this area of activity should continue in light of reduced resources.
- The assessment services provided under provincial Degree-Granting Acts are more clearly aligned with the Commission's mandate to ensure quality, and as they are performed on a full cost-recovery basis, with the exception of policy development, are not problematic to provide. The Commission will however monitor the magnitude of activity in this area to ensure it does not negatively affect its core programs.

CORPORATE GOALS

Overview of Challenges

Financial Constraint - As with many organizations in the public sector, the MPHEC faces resource constraints (best case scenario -5% to base funding, $0 for special projects, including graduate follow-up surveys) and approximately $40,826 in other cost pressures which will force the organization to find savings and set priorities. The Commission cannot do (well) what it has always done with fewer resources.

Visibility, Value and Communications – Those who have worked with the MPHEC are aware of some of its work. Few are aware of the range of the work. Even fewer are aware of the value it adds to the system in the region. There is a risk that, especially given the "turnover" of senior government officials, its work is not as well understood as it could be. A new way of showing its performance – new reporting formats and systems – and more assertive communication with respect to its work is necessary. This requires resources.

Scope – There is a view emerging that some colleges in the region are in need of an "MPHEC-like" organization that will work to improve the quality of the learning experience for college students. There is also a need to collect data on college students, which mirrors that collected for university students, to capture student mobility across the PSE environment. Religious institutions granting degrees (some in non-religious disciplines), applied degrees (defined as degrees granted by a college) in PEI, and private degree-granting organizations are not formally within the Commission's scope.

Strategic Orientation/ Priorities

- The Commission has identified a goal of improved communication to a larger audience and increased visibility for the organization. One area was identified for immediate action: data and information. More dialogue is required to clarify the objectives and anticipated outcomes of an enhanced focus on communication, and more resources (or a re-direction of resources from one area to this one) will be required to achieve these results. **Over the planning period, an ad-hoc committee will be struck to explore further the Commission's objectives in this area: definition of objectives and anticipated outcomes; target audiences; etc. and leading to a communication plan including resourcing.**
- **The Commission believes it would be worthwhile to undertake a governance review to ensure an efficient operation and the alignment of governance provisions with core activities. However, given how expensive such reviews tend to be, and that the Commission's current governance model is effective, this is identified as a lower priority activity for the planning period and will be undertaken only if resources allow.** This review would focus on: the role of the Commission (definition of matters requiring Commission input and decision and the stages at which each is required); the structure and role of each of the committees with a view to improving efficiency (for example, merging committees, delegating (aspects of) decision-making to committees), including considering the efficiency gains that may come from establishing an executive committee with a clear mandate. The goal of the review would be to improve the efficiency of the organization and potentially identify resources that can be re-directed to higher-level priorities. The review would take into account the Act (which, for example, requires the Commission to meet at least four times a year) and how to best discharge its mandate. It would also lead to the development of a succession planning model for Commission membership to ensure an appropriate breadth and depth of expertise and views. The scope of the Commission should also be explored in the context of this governance review.
- The other area requiring further review is internal administration. This process has already begun, and will continue over the next few months. Administrative costs are carefully being reviewed to identify any recurring cost-savings strategies and revenue-generating options. In addition, internal processes related to the preparation of materials for the Commission and its committees, as well as the preparation of other materials that are more widely released are being reviewed. **The internal process review is designed to implement funding cuts as well as to free-up resources to allow a re-direction to higher-level priorities.** Internal processes would need to be further reviewed in light of any changes brought to the governance model of the Commission.

CONCLUSION

The Commission provides significant value to the three Maritime Provinces.

Its critical mass in terms of staff, the diversity of the Commission's membership and, the leverage of additional institutional and government expertise through its collaborative operational framework, has allowed it to develop a level of expertise that each province could ill afford to develop, let alone maintain individually.

Given the size of each Maritime province, the Commission allows for a larger base from which to draw conclusions, whether these are about student success, quality of academic offerings or graduate outcomes.

It also **offers significant value-for-money and a sound and efficient approach in terms of public policy.** With a budget of approximately $1 million, its quality assurance program costs approximately $400,000 annually (not accounting for the universities' contribution); its data collection and analysis activity (including the provision of various data outputs to governments but *excluding support to the graduate survey program*) costs about the same (approximately $400,000 per annum), cost-shared on a per-capita basis by the three provinces. It is likely that it **would cost *each* province nearly the same to establish mechanisms to achieve these goals at a provincial level.**

With these instruments, the Commission:

- Provides assurances as to the quality of programs and services offered to students by the universities in the region
- Monitors student success through their studies within the Maritimes (as they move from one institution to another, from one program to another).
- Will be able to track students from the K-12 system to university, and if the Maritime GO Survey is funded, to the labour market.

Were the Maritime GO Survey to be funded, the Commission would be in a position to continue to provide a measure of system effectiveness and quality: are graduates transitioning into the labour market and future education as well as they could? Are public policies designed to support university education working for students as intended? If it were unfunded, the Commission, and the three provincial governments will no longer be able to report (and the region will not have access to such data) on how students do once they have graduated, leaving a significant gap in terms of graduate outcomes.

Considering that the three Provinces collectively spend over $1 billion annually toward university education in this region, it is clear that **the Commission provides value for money** in a context of increased accountability, **providing essential measures of program effectiveness where it matters most: at the student level, and at less than 0.1% of expenditures in the sector.**

Appendix A

MARITIME GRADUATE OUTCOMES (GO) SURVEY PROGRAM

Costs

The survey program costs $145,000 per year, and represents the minimum acceptable program design and cost that meets the key criteria identified by the Commission. This also represents a significant savings compared to the previous survey program ($200,000 per year).

Cost breakdown summary:

Survey promotion	$20,000
Data Collection (includes telephone interviews, 20-min survey)	$160,000
Data dissemination (75-page report-statistical tables with highlights (published to web); provincial tables, presentation(s) to stakeholders/media	$110,000
Total per project	$290,000
Total per year	**$145,000**

Population

The population to be surveyed is first degree holders (those who completed a bachelor's degree and did not pursue any postsecondary education prior to enrolling in the program) and the target sample size is 2,500. Promotional activities are planned in order to address the issue of declining response rates which emerged over the last two survey projects. The general feeling is that without intervention, response rates will continue to decline and therefore affect the capacity to conduct detailed analyses.

Data Collection Methodology

The survey would be conducted via telephone interviews with an average 20-minute survey (compared to 29 minutes in the previous survey).

Research Objectives

Five research themes would be covered:

- Financing education (how was first degree and subsequent education financed, how well are graduates managing financially)
- Employment outcomes (employment status, earnings, job type, relationship between labour force experience and education)
- Graduate mobility (graduate origin and residence post-graduation, reasons for moving)
- Further education (information on further education pursued following the first degree and reasons why)
- Graduate perceptions of university experience, quality, skills development (a lower priority theme, to be accommodated through rotation of questions over successive cohorts)

Survey Schedule

Each six-year cycle would include two graduating cohorts, both interviewed two years after graduation, with one of those two cohorts also interviewed six years after graduation (via a longitudinal survey). This approach balances monitoring of policy interventions (more frequent two-year-out surveys) with a look at the longer term return on investment. Each project spans two fiscal years. The following table outlines the survey structure.

Class of...	2012	2014	2012	2018	2020	2018
Survey year (field)	2014	2016	2018	2020	2022	2024
Survey type	2-year	2-year	6-year	2-year	2-year	6-year

Summary Comparison: Previous vs. new graduate survey program

Previous Survey Program

$200,000 per year
All credential levels surveyed
N= 3,360 (first degree holders=1,968) [sample sizes most recently achieved]
Every fourth cohort surveyed at two and five years after graduation

Research objectives

i. Financing education (how was first degree and subsequent education financed, how well are graduates managing financially)
ii. Employment outcomes (employment status, earnings, job type, relationship between labour force experience and education)
iii. Graduate mobility (graduate origin and residence post-graduation, reasons for moving)
iv. Further education (information on further education pursued following the first degree and reasons why)
v. Graduate perceptions of university experience, quality, skills development

30-minute survey

Analytical paper (higher level analysis) with accompanying detailed tables, provincial tables, institutional tables, press conference, semi-custom presentations offered to stakeholders

New Survey Program

$145,000 per year
First degree holders only surveyed
Target n=2,500

Six-year cycle includes two cohorts, both interviewed two years after graduation, with one of those two cohorts also interviewed six years after graduation

Research objectives

i. Financing education (how was first degree and subsequent education financed, how well are graduates managing financially)
ii. Employment outcomes (employment status, earnings, job type, relationship between labour force experience and education)
iii. Graduate mobility (graduate origin and residence post-graduation, reasons for moving)
iv. Further education (information on further education pursued following the first degree and reasons why)
v. Graduate perceptions of university experience, quality, skills development (a lower priority theme, to be accommodated through rotation of questions over successive cohorts)

20-minute survey

Detailed report (statistical tables with highlights – no higher level analysis) and provincial tables, livestream presentation instead of on-site presentation(s)

Appendix B

SERVICES BY PROVINCE

Services provided (as per the Act)			
	NB	**NS**	**PE**
Quality Assurance			
Program Assessment	X	X	X
Monitoring of Institutional Quality Assurance Policies and Procedures	X	X	X
Data and Information			
PSIS – Data Collection	X	X	X
Calculated enrolments:			
Statistical	X	X	X
Regional Transfer Agreement (enrolment calculations)	X	X	X
Funding formula (different methodologies)	X	X	
Graduate Follow-up Survey/Graduate Outcomes Survey (requires funding)	X	X	X
Analytics	X	X	X
Custom Projects (as resources allow)	X	X	X
Interprovincial Agreements			
Regional Transfer Agreement	X	X	X
Cooperative Action			
Atlantic Financial Reporting Committee	X	X	X
Atlantic Satellite Network (terminated as of 2011-09-12)	X	X	X
Symposiums on various PSE topics	X	X	X
NB/PEI Educational Computer Network	X		X
Other services (not prescribed by the Act)			
	NB	**NS**	**PE**
Services to Provinces			
Degree Granting (by request and full-cost recovery)	X	X	
Financial Services:			
Budget Administration			
Audit/Validate funding formula data	X		
Calculate unrestricted funding using funding formula	X		
Provide budget estimates for interprovincial agreements	X		X
MCFT business plan/budget analysis and advice	X		
Capital assistance – analysis and advice as required	X		
Special projects – analysis and advice as required	X		
Main Estimates	X		
Public Accounts	X		
Audited financial statements	X		X
Provision of advice, upon request	X		X
Management of committed funds	X		X
Participation on provincial committees	X		
Financial Operations	X		X
Monitoring of Agreements			
Nursing	X		
Dalhousie University Medical Education Program in New Brunswick	X		
Entente Nouveau - Brunswick Québec	X		
Formation médicale (délocalisée)	X		
Centre national de formation en santé	X	X	X
Memorial University	X		X
Waterloo optometry	X		X
Rehabilitation disciplines		X	
Policy Administration/Development	X		

Appendix C

RESOURCE PLAN

Context

The Commission is challenged to continue most aspects of its work, but to do so with a different emphasis in some areas:

- Maintaining its leadership role through its quality assurance program
- Increase collaborative work to ensure quality assurance processes are in place and are effective in all institutions
- Building on its current work in data and information by improving the value from data analysis and review - establishing the Commission as a more effective provider of value-added services to its stakeholders

Some of this work will require a redirection of staff activity, greater efficiency and additional resources. At the same time, the Commission's budget is being reduced.

Assumptions

In the context described above, and to adhere as closely as possible to the priorities dictated by the MPHEC Act (in order of priority: academic program assessment, data collection and analysis, monitoring of universities' approach to quality, cooperation; priorities are expanded upon in the narrative of the business plan), the Commission's financial scenario is built on the conclusion that province-specific services falling outside MPHEC core legislated duties and not provided to all three provinces are to be funded by the recipient province.

Other assumptions include:

- ***Base funding will be reduced by $59,826*** between 2010-11 and 2013-14 (-3% in 2011-12, -1% in 2012-13, -1% in 2013-14) as per the most recent guidelines issued by RTB in 2010; assuming no change to funding levels in 2014-15.
- Salaries and benefits will increase each year by 2% (estimate only at this time; will be adjusted in line with PNB policies), which is an annual unfunded increase of between $13,000 and $15,000 annually depending on staffing levels; this represents ***a cumulative unfunded increase to salaries and benefits of approximately $45,000 by 2014-15***.
- Depending on staffing levels, ***between $15,000 and $17,000 annually must be absorbed as a result of the unfunded increase of 2.05% to the pension contribution rate*** since January 2010; assumes no further increases to the pension contribution rate during the planning period.
- Operating cost increases due to contractual requirements represent another unfunded increase of approximately $2,500 annually that must be absorbed; ***this represents a cumulative unfunded increase of approximately $7,500 by 2014-15***.
- This requires the Commission to find total internal cost-savings over the planning period of at least **$129,000** by the end of the planning period, or 11% of base budget. Pension solvency deficiency amounts of $183,060, $190,296 and $197,820 in 2012-13, 2013-14 and 2014-15 respectively are included and assumed to be fully funded, as per CAP guidelines; any increases to these amounts over the planning period are assumed to be fully funded by RTB.
- If the requested Maritime Graduate Outcomes (GO) Survey annualized funding of $145,000 is not received, the program will not be initiated.

Strategy/Impact on Products and Services

Over the course of the planning period, the main impact of the resource plan are:

a) In terms of staffing:
   i. 1 FTE eliminated over the course of the current fiscal year with part of the work outsourced
   ii. A minimum of .5 FTE will be left vacant every year, including the current one, through the careful management of contracts and any attrition that may occur.
b) Reduced consultation/collaboration efforts will be undertaken (fewer forums for example)
c) The Quality Assurance monitoring process will be launched one year later than anticipated and completed over approximately 7 years. The extended timeline is primarily due to the travel costs associated with the process and, to a lesser extent, to the reduced staff resources available to support the process. This will reduce the impact of the initiative but its result would nonetheless allow the Commission to reach several of its main objectives.
d) The graduate survey program in its current incarnation, which required approximately $50,000 of Commission resources, is cancelled. This allows the re-direction of staff resources previously dedicated to the graduate survey to other higher priority areas (quality assurance and other data activities (see Business Plan narrative for more details) minimizing the impact of the funding cuts.
e) An annual, ongoing, amount of $145,000 is requested for a revamped survey program: the Maritime Graduate Outcomes (GO) Survey, reflecting *all* costs of the survey program.
f) No new activities will be undertaken, although some elements of an enhanced communication strategy will be implemented.

	Expenditures				
				Planning Period	
	2010-11	**2011-12 (-3%)**	**2012-13 (-1%)**	**2013-14 (-1%)**	**2014-15 (0%)**
Category:	Actual	projected			
Salaries and benefits (1)	972,981	961,822	926,540	928,236	928,623
Pension solvency deficiency (2)	149,940	176,100	183,060	190,296	197,820
Operating Costs (3)	378,951	318,173	335,263	321,914	321,527
Graduate Survey Program (4)	88,098	n/a	n/a	n/a	n/a
Sub-Total Expenditures	1,589,970	1,456,095	1,444,863	1,440,446	1,447,970
Maritime Graduate Outcomes (GO) Survey (5)	n/a	n/a	145,000	145,000	145,000
Total Expenditures (6)	1,589,970	1,456,095	1,589,863	1,585,446	1,592,970

Notes:

(1) **2011-12**: A one-year approach, focussed on protecting staff as much as possible, was implemented this year to address the 3% cut mandated by RTB until a permanent solution could be found through an in-depth review of the Commission's activities. Relating to salaries and benefits, this meant leaving one position vacant for part of a year.
2012-13 and 2013-14: As a result of the in-depth review of its activities undertaken by the Board in the Spring/Summer of 2011, one FTE will be eliminated with part of the work outsourced. In addition, a minimum of .5 FTE will be left vacant annually through careful management of contracts and attrition. Salaries and benefits are estimated to increase by 2% each year, as per PNB policy (estimate only at this time; will be adjusted in line with PNB actual COLA/merit policies).
2014-15: Another full FTE will be left vacant for part of the year. Salaries and benefits are estimated to increase by 2%, as per PNB policy (estimate only at this time; will be adjusted in line with PNB actual COLA/merit policies).

(2) Annual lump sum payment to mitigate the solvency deficiency of the CAP pension plan (as per CAP guidelines).

(3) **2011-12**: A one-year approach, focussing on protecting staff as much as possible, was implemented to address the 3% cut mandated by RTB until such time as a permanent solution could be found through an in-depth review of the Commission's activities. This meant reducing operating costs drastically during the 2011-12 fiscal year. This level of reduction is not sustainable on a permanent basis. These reductions were achieved by reducing all operating costs (other than those, such as rent, that could not be reduced immediately due to contracts in place).
2012-13: A significant portion of the slight increase in operating costs between 2011-12 and 2012-13 are one-time costs to support the consultation process required to launch the second cycle of the Quality Assurance Monitoring process and obtain communications expertise to help the Commission improve communication effectiveness across all mandated functions. The remaining operating cost increases are a result of a minor increase to rental fees for office space.
2013-14 and 2014-15: Operating costs have been reduced (compared to 2012-13) in order to help absorb the 1% decrease to base funding in 2013-14. Part of the decrease will be absorbed due to the fact that the ad-hoc committee struck in 2012-13 will no longer exist as it will have completed its mandate in the previous fiscal year. In addition, the Commission will be required to maintain the reductions, implemented in 2011-12, in the number of face-to-face committee and Commission meetings. The most significant impact to the organization and its partners from this change is that the estimated length of the completion of the second phase of the monitoring process will likely be spread over a 7-year period instead of the optimal 3-year period identified during the review of this program. Reductions in publication costs first implemented in 2011-12 will also be maintained by relying more heavily on electronic distribution of meeting materials and published information.

(4) **2010-11**: This amount represents only direct costs (i.e. consulting, printing, publication) associated with completing the final project before the elimination of the existing survey program. The total cost of one survey has averaged $400,000 ($300,000 direct costs and $100,000 staff time funded through base funding). As a result of the review of the program recently completed, the existing survey program is being eliminated and will be replaced by the Maritime Graduate Outcomes (GO) Survey program (if funded) – see note 5.

(5) An annual, ongoing, amount of $145,000 is requested, beginning in 2012-13, to fund the Maritime Graduate Outcomes (GO) Survey program. The new survey program will cost $145,000 per year and represents the minimum acceptable program design that still meets the key criteria identified by the Commission. This represents a significant savings compared to the previous survey program (from an annual cost of $200,000 to $145,000 per annum). In order to keep the costs of the new survey program low, it will focus only on Bachelor's degree holders (significantly reducing the sampling size) with a revised survey cycle (reducing the overall number of surveys when compared to the previous survey program) and a shorter survey (see Appendix B for further details and comparison). If this funding cannot be secured, the Maritime GO Survey will not be undertaken. The Commission believes that the data deriving from this graduate outcome survey is essential. However, unless the program can be completely funded, especially in light of the current (and planned future) funding restrictions, the program will not be undertaken. The fact that the Commission will no longer provide support for the program from its (reduced) administrative budget will mitigate the impact of the overall budget cuts on other areas of the Commission's work, namely quality assurance and data. Appendix B provides additional details on the Maritime GO Survey program.

(6) **2010-11**: The deficit of $23,698 is due entirely to unanticipated and unfunded increases to the pension solvency annual payment due to a mid-year revaluation of the CAP pension fund.
2011-12: The projected deficit of nearly $20,000 is due entirely to unanticipated and unfunded increases to the pension solvency annual payment and contribution rate of $37,600 due to a mid-year revaluation of the CAP pension fund. All efforts are being made to mitigate the projected deficit as much as possible during the remainder of the year without significantly impacting key deliverables.
2012-13 to 2014-15: Presented on a balanced budget basis.

Revenue

Source:	2010-11 Actual	2011-12 (-3%) projected	Planning Period 2012-13 (-1%)	2013-14 (-1%)	2014-15 (0%)
Provincial contributions - Base Funding (1)					
NB (41%)	497,244	482,275	477,761	472,983	472,983
NS (51.4%)	623,844	605,155	598,949	592,960	592,960
PE (7.6%)	92,356	89,611	88,561	87,675	87,675
Total - Base Funding	1,213,444	1,177,041	1,165,271	1,153,618	1,153,618
Provincial contributions - Pension solvency (2)					
NB (41%)	55,126	64,213	75,421	78,402	81,502
NS (51.4%)	68,640	79,954	93,910	97,622	101,482
PE (7.6%)	10,034	11,689	13,729	14,272	14,836
Total – Pension solvency payment	133,800	155,856	183,060	190,296	197,820
Other					
Funding for non-core province specific services	40,000	40,000	90,000	90,000	90,000
Graduate Survey Program (3)	88,098	0	n/a	n/a	n/a
Other (DGA, SRDC, translation, etc.) (4)	90,930	63,745	6,532	6,532	6,532
Total – Other	219,028	103,745	96,532	96,532	96,532
Sub-Total Revenue	**1,566,272**	**1,436,642**	**1,444,863**	**1,440,446**	**1,447,970**
Provincial contributions – Maritime Graduate Outcomes (GO) Survey (5)					
NB (41%)			*59,740*	*59,740*	*59,740*
NS (51.4%)			*74,385*	*74,385*	*74,385*
PE (7.6%)			*10,875*	*10,875*	*10,875*
Total – Maritime GO survey			*145,000*	*145,000*	*145,000*
Total Revenue (including requested amount)	**1,566,272**	**1,436,642**	**1,589,863**	**1,585,446**	**1,592,970**

Notes:

(1) Decreased by 3% in 2011-12 and 1% in both 2012-13 and 2013-14 (per CAP guidelines) and maintained at the previous year level in 2014-15 (estimate). The total impact of the cumulative 5% cut is a reduction of $59,826 in base funding from 2010-11 to 2014-15.
(2) Annual payments to mitigate the solvency deficiency of the CAP pension plan (as per CAP instructions). It is assumed that any changes to these annual payments resulting from revised valuations of the CAP pension plan will be fully funded.
(3) Refer to note 4 of "Expenditures" above.
(4) Includes only currently known revenue streams; no additional contract work is included based on current information from existing partners. The Commission will explore whether the introduction of a fee-for-service for certain products in the area of data should be implemented.
(5) Refer to note 5 of "Expenditures" above.